

MINUTES OF THE CITY OF BURLINGTON
SPECIAL CITY COUNCIL MEETING
JUNE 14, 2010

The City Council of the City of Burlington held a special meeting in the Council Chamber, Municipal Building, 425 South Lexington Avenue, Burlington, N. C., 27216-1358, on June 14, 2010, at 8:00 a.m.

Mayor Ronnie K. Wall presided

Councilmembers Present: Mayor Wall, Councilmembers Huffman,
Butler, Ross and Faucette

Councilmembers absent: None

Harold Owen, City Manager: Present

Robert M. Ward, City Attorney: Present

Jondeen D. Terry, City Clerk: Present

INVOCATION: Councilmember Jim Butler

ADOPTION OF AGENDA

Upon motion by Mayor Pro Tem Huffman, seconded by Councilmember Faucette, it was resolved unanimously to adopt the agenda.

BUSINESS:

1. HB 1688 and SB 1121 - An Act amending the Charter of the City of Burlington to authorize the City Council to dispose of and lease City-owned property in its municipal service districts upon such terms and under such conditions as determined by the City Council.

Mayor Wall read the following opening statement:

"Good Morning! The purpose of this meeting is to discuss language and make recommendations regarding HB1688 and SB 1121 relating to an act amending the Charter of the City of Burlington, to authorize the City Council to dispose of and lease City-owned real property in its

Municipal Service Districts upon such terms and under such conditions as determined by the City Council. At the June 1, 2010, City Council meeting the Council authorized City Attorney Bob Ward to prepare modifications to the original bill dealing primarily with the public notice provisions of the bill. It appears since that time there have been conversations between Mr. Ward, Mr. Owen, and members of our state delegation, Senator Foriest, Representative Bordsen, and Representative Ingle. We are here today to further discuss the potential of the bills. Before we get started with this discussion, I would like to give a brief overview of what I feel has been our timeline and journey relating to the series of events that has brought us to this Monday morning meeting. Those concerned about our actions seem more concerned about the "proposed bill" rather than the direction we charted years ago.

Dating back to early 2006, the Downtown Corporation enlisted a study with Haden Stanziale to create a master plan for the future of downtown Burlington. Many of these meetings were attended by candidates for office, elected officials, City staff, and media personnel.

Formal presentation of the Master Plan was presented to the Council on April 1, 2008. One of the specific recommendations was for Burlington to "explore a package of incentives to recruit investors...". "The City should consider issuing requests for proposals to develop the sites in downtown." "The City could participate in these developments through writing down the cost of the land or participating in developing parking for mixed-use projects." "Use property write-downs of City-owned property as a development catalyst." "Consider partnerships with the City of Burlington for site control and marketing of key opportunity properties in downtown Burlington."

All of these discussions and the excerpts from the Master Plan were held in open meetings directed by Haden Stanziale, and/or the City of Burlington at numerous work sessions, and City Council meetings. Our City Attorney stated on several occasions that charter amendments would be required to give us enabling legislation to creatively market City-owned property.

On March 31, 2008, at our scheduled work session, Mr. Randy Hemann, Executive Director of Downtown Salisbury, Inc., graciously demonstrated Salisbury's success in implementing key strategies that were similar to those Burlington would need to explore. It was further stated that Municipal Service Districts, City appropriations, and private investment would make up the funding sources necessary for success. (All of this was discussed in an open meeting.)

On January 28, 2010, at our City Council retreat, it was again openly discussed that "staff may request an amendment to the current economic development policy." It was also stated that, "this incentive program would not apply anywhere outside the Downtown Municipal Service District (MSD). Much discussion centered on the Economic Development Toolbox Goals on how aggressive Council may be in supporting development efforts. (All discussed in an open meeting.)

On April 30, 2010, a joint meeting was held with Burlington City Council and state delegation of Senator Tony Foriest and Representatives Alice Bordsen and Dan Ingle. At this time "proposed local bills involving downtown economic development" were discussed. It was further discussed that "there was nothing unusual about the bill and that other cities had been through a similar process." (Again, all this was discussed in an open meeting with media present.)

This Council has conducted many discussions over several years all progressing up to a point where we are requesting amendments to our charter allowing us to proceed on a path that we have openly discussed on numerous occasions. Never has anyone opposed any action being considered. After introduction of the bill there was a debate initiated over the failure to include "open meetings" in the bill thus impacting the "sunshine law" and efforts to maintain open and transparent actions when conducting the people's business. Without hesitation these changes were implemented as it was not this Council's desire to skirt such meetings, merely an oversight based on tracking a 1987 bill enacted on behalf of Salisbury. It was then discovered that there was a later amendment in 2001 to the 1987 bill requiring such action.

We are now at a point where an additional request is on the table for us to physically determine and set boundaries on where this bill should apply. In doing so, we would effectively change our procedure to add or remove participants in the MSD thus eliminating local authority and require that it be placed before the General Assembly for approval. At this time, I would like to recognize Mr. Bob Harkrader to discuss the service district downtown."

Planning and Economic Development Director Bob Harkrader: The current district is bounded by West Webb Ave on the north side, Morehead Street on the south side, east by Lexington Avenue, and on the west by South Church Street. It's essentially a rectangle and incorporates the core of downtown. Previously until 2006, our district consisted of the area I just showed you and two other areas. When the original MSD was established its boundaries were

as follows: North, Webb Avenue, West, Church Street, South, 5th Street, East (red,) Spring Street, Morehead Street and again on the east- Lexington Avenue. This is the original district that was approved in 1988. Broad Street was discussed. In 2006, City Council removed two sections. The memo provided (Attachment A) outlines the basic provisions of the creation of Municipal Service Districts and the provision states the statutes which govern the creation and expansion of the district.

Mayor Wall asked Attorney Ward to recap the changes that had taken place so that everyone understands and is up to date about what has taken place up to this time.

City Attorney Bob Ward: Burlington tailored the first bill after Salisbury and it was pointed out that we did not have provisions for public notice. There was a meeting on May 24, 2010, in Raleigh. One of the concerns voiced was the lack of due process, public notice, and those concerns. Mr. Ward explained that there was no intention of this body not to disclose and to allow public to make comments. Before you is what was prepared, HB 1689 and SB 1122 that was presented to Council and adopted at the June 1, 2010, meeting. As a response to that, Mr. Bussian, Attorney for the North Carolina Press Association, has made four additional recommendations:

1. That any sale and/or lease of City-owned property shall be in accordance with the Open Meetings Law, G.S. 143-318.9, et seq., and the Public Records Act, G.S. 132-1, et seq.
2. That the notice of any such sale and/or lease shall include the following:
 - a. The specific location of property.
 - b. The prospective parties to the sale or lease
3. That the title of the bill should be revisited to make Municipal Service District singular instead of plural.
4. That the authority for any sale and/or lease be limited to the current Municipal Service District and that a boundary description would be added as a new subsection (d) to the proposed bills describing the City's only Municipal Service District.

Mayor Wall: Are there any questions for Mr. Ward from the Council.

Councilmember Butler: On those additional changes (Item 1), will we be bound by the General Statutes anyway. We would certainly be defining what we would be considering - a formality. Looks like the issues would be setting the boundaries for the municipal district. Does Salisbury have boundary limitations on that bill?

Attorney Ward: The authority for the sale was City-wide. He didn't think they called it a Municipal Service District. It was broad authority but he was not sure how it was limited. Our MSD is set up and statutory provisions. People that petitioned to be included in the MSD were aware that they would have additional taxes.

Councilmember Ross: If you set a boundary, would it create a limitation as to going back to the district the way it was.

Attorney Ward: If the bill was recommended as Mr. Bussian suggested, it would be limited. The City could seek additional authority to set up a new district.

Councilmember Ross: Could an original business come back in?

Attorney Ward: You could bring them in as a district by utilizing the statutory procedures.

Councilmember Ross: Would it be a matter of going back to them and requesting the new district? Hoped the area on other side of train tracks across from Main Street would develop enough that it would come into the service district.

Attorney Ward: You would have to go back and seek a local amendment to the charter.

Councilmember Faucette: Would it have to go back to the House and get it reapproved.

Attorney Ward: They would have to seek an amendment to the charter to approve the areas previously included and the City would have to follow the statutory procedures.

Mayor Pro Tem Huffman: Are you aware of other cities that have those sorts of restrictions on the creation, expansion and retraction of a special tax district tacked on their ability to sell or lease private property?

Attorney Ward: Representative Bordsen sent six or seven local bills from cities that provide leasing authority and this authority appeared to be City-wide and was not limited to any existing districts.

Mayor Wall: Mr. Bussian, please come forward. Why are items three and four so important to you?

Mr. Bussian: I am here for the NC Press Association and counsel for the Alamance News. We're asking to change a law that has state-wide effect; requires newspaper advertisements, etc. to sell City property. Burlington is seeking something that applies to every city in NC. You would be the only ones to have the right to sell City property and to do it in a fashion where City Council members have conditions by itself.

Mayor Wall asked him about his willingness to control service boundaries.

Mr. Bussian: Fight efforts to change state-wide law through local bills, where they affect the public's right to know through the newspaper or legal advertising of the bid. In the instances where this has been done, Jerry Cohen rolled out a set of statutes that he could find. (Salisbury had been appealed and amended dramatically from before.) The other bills he showed were where long-term lease sought, 10 year lease or more, none that applied to outright sales of property. It seems like we're splitting hairs, but the point is for us that this idea was important for you in Salisbury as if it were a blue print for a way for all cities in North Carolina to get out from underneath the state-wide apparatus. That's what they have the problem with. So Jerry recommended the way it cannot be exported to every city in North Carolina is to put a limited block area on this authority, delineate your current district. Then if you need to expand it or change it in a way, if on the other side of the tracks or whatever you foresee that being, you would go back with another local bill and change the boundaries. You could get an agreement to change the dimensions of your authority to sell so it wouldn't be one that could be used by experience tempting for other cities to say "If Burlington just passed this, then let's all pass it," then wouldn't have anything left of the statewide requirements.

Mayor Pro Tem Huffman: The concern is the sale without notice; the notice provision has been addressed by the rewrite.

Mr. Bussian: This makes open meetings law very clear, all part of the original bill. The acquisition of City property, whether you sell or buy it, open meetings rule applies. He wants to make sure people don't get confused about the open meetings law.

Mayor Pro Tem Huffman: It was not even addressed in Charlotte and it only addresses leasing but does not even talk about any sort of district. This Council feels we have a non-elected organization that is stepping across the line asking us to give up our authority to create a district here in the City. We have areas that we know they would benefit by coming back in. We have had interest from developers that want to be in the district. Revitalize Cum-Park Plaza in East Burlington. This Council is extremely sensitive that we serve everybody out of the same ladle. To be able to do something for people in downtown especially if they come to the table and ask is really what it entails. But if people in East Burlington asked, they would have to go back to the state legislature; no other city would have to go back to state legislature to try and to help a particular area. That seems to be the point here. Mayor tried to get a feel because there has been a lot of work done in the downtown area. Across the state, we have seen successful revitalization and renovation in downtown and a lot of it included residential buildings in downtown. There have been a lot of public/private partnerships. We have had studies done over the past two years and we feel we need very basic tools, and all of the cities that have had this success have used and that we are being singled out. It's unfortunate that the original draft did not have the language regarding notice and that sort of thing.

Mr. Bussian: This doesn't constrain the City at all in changing or adding municipal tax districts; all it changes is how you tell the public about selling property within the districts. You can change and add boundaries to districts all you want. What are the rules for selling properties within districts? It's all about how you tell the public about selling property. These are statewide procedures.

Councilmember Butler: Council alone can do it now but with this we would have to go to state, and Mr. Bussian said it was wrong.

City Manager Owen: If Council decided to extend the existing tax district or add a new tax district and went through the due process of public notification to lease property, you're okay with that?

Mr. Bussian: That's correct. We're fine as long as we're following the current state law. But to jump out and do something that would take you alone out of the current requirements to sell public property, then it's not okay.

Mayor Pro Tem Huffman: Charlotte and Salisbury have the ability to go beyond the 10-year lease period and it's simple and straightforward.

Mr. Bussian: Philosophically against them because this all happened before it became a problem for the public and press with all these public notice requirements statewide. It happened over a 20-year period. Municipalities would come in one at a time and get permission to get out of publicly noticing or advertising.

Mayor Pro Tem Huffman: All that really does is give cities permission to have a lease longer than 10 years. What's the problem with doing this on a sell or lease? Notice requirements would stay. It gives us the ability to deal with anybody in the downtown area that wants to enter into a longer lease. Can't have financing on a big project in 10 years. Is there anything wrong with taking the language that Representative Bordsen sent us regarding the lease that is used in each and every provision in Charlotte, Salisbury etc.

Mr. Bussian: On such terms and conditions without following what is expected of 160A/272.

Mayor Pro Tem Huffman: Same notice requirements, but it only applies to 10 years and less. Let's adopt this right here and it gives us the flexibility to go beyond a 10-year lease.

Mr. Bussian: The 160A still imposes certain requirements of that kind.

Mayor Pro Tem Huffman showed Mr. Bussian the Charlotte statutes.

Mr. Bussian: Don't know what it says, but as long as it does not do what is crossing the law.

Mr. Huffman: It's not required except that other than 160A-- public hearing to expand district.

Mr. Bussian: Does it show that it would be published once a week for two successive weeks? What are these provisions? Believes it has something to do with notice requirements.

Mayor Pro Tem Huffman: It's the same language! All this does is give us the flexibility to lease property, take it and run with it. When it comes to sales, all you have to do is spec it. All you have to do to sell it. Is there anything wrong with those?

Mr. Bussian: As long as it doesn't break the statewide laws and remove the newspaper and legal advertisements, and so conceptually he would not have a problem with that; that would be his reaction.

Mr. Boney: The key is that the bill before you does away with the bid requirement. That is important and the lease requirement is for under 10 years, want to make it longer. Back to the service district, keep in mind you have two bills: one to allow incentives for residential development in the City that is in the bill. The City does not own area at Cum-Park Plaza or many other places in downtown. However, this bill deals with the sale of City-owned property in downtown. Mr. Bussian and I want to see downtown defined and put the boundaries in the statutes. It doesn't restrict what you would want to do residentially in another part of the City, only restricts the property and public notice when selling property.

Mayor Pro Tem Huffman: Mr. Bussian and Mr. Boney are talking about two different things. What you just said is different from what Mr. Bussian said. That's a different reason to control the district. Mr. Bussian is talking about what is the public's right to do. Just focus on the lease portion of the downtown property. I don't feel comfortable taking away the authority from this Council to sell or lease downtown property especially because other cities aren't being forced to do this. Of course, we will comply with the state requirements. As far as the lease is concerned, it's a potential problem for developers because you can't get your return within 10 years when dealing with finances. I didn't mean to drive a wedge - it seems we see eye to eye.

Representative Alice Bordsen: Believe it's been a productive session and that things have been clarified. There are not restrictions about drawings for expanding or shrinking boundaries of service districts; the restrictions are just what you can do within those districts. The sale of City-owned property is the final disposition of property is the big problem. Our only concern is that we have process problem with the short session; we are being driven hard. Whatever comes from you needs to be a unanimous decision by Council, and it is very helpful if you have the lease part and are in agreement with the Press Association. We want to get the City's business done.

Representative Dan Ingle: appreciate that the Council and the press have come together. One of my concerns is that when you look at all the other municipalities, they deal with leases not sales. He believes everyone is on the same page.

Mayor Pro Tem Huffman: The lease portion of this bill, you can marshal it through tomorrow?

Representative Bordsen: Don't anticipate a problem.

Mr. Bussian: As long as language that shows up tomorrow is the same as Charlotte's language then he believes it's okay, but if things are added, then it will be a problem.

Attorney Ward: Once I know what has been decided, I'll send that language to all three members of our legislative delegation so that it can be done today. If I understand correctly, we are doing away with the sale authority but we are seeking lease authority for more than 10 years.

City Manager Owen: Sale of property would go through normal public notice process.

Attorney Ward: This current charter provision deals with only the sale of property and that will remain intact and we will put in a new leasing section. It's limited to service districts.

Mr. Boney: On behalf of Alamance News, this is where the concern comes in. The rationale that the Council has discussed before has been a downtown Burlington development but now you are speaking a language that is far beyond what has been discussed before. Council has never invited public comments or public hearings on these proposed changes at any point. This is the third meeting. Now you are speaking about a tremendous increase in authority without the public being invited. This is a great failure on the part of the Council. And for the newspaper, they would be opposed if the City would expand the authority without a public meeting. I don't understand. The City does not own much property outside the downtown area. They would not want the Council to buy property somewhere in the City for the specific purpose of turning it around and leasing the property. That makes my concern all the more real and a public hearing should be held. At this meeting, we are talking about what has been described on this news story, as simply just in downtown. Now they are trying to allow long-term leases in the City.

Representative Ingle to Mr. Bussian: Are you in agreement with Mr. Boney on the last issue?

Mr. Bussian: The concept of the bill started out to be one addressing the Municipal Tax District and now we are talking about the entire City. We're facing local efforts to broadly change state statutes. Charlotte may have it, but it impacts what we are trying to do now.

Mayor Pro Tem Huffman: It does not matter that notice requirements stay there. We are not modifying anything. Whether it's Greensboro or anyone else has the authority to do these things and the success of their program downtown. You are making it out that the City of Burlington is trying to hide something and it's amazing that you think we have an ongoing plan to buy something and lease it. We are dealing with the downtown area now. Could create district around Cum-Park if it were to get its act together.

Mr. Bussian: They are trying to change state-wide law and fight local bills.

Mayor Pro Tem Huffman: They aren't trying to change state-wide law but to have the same tools as other cities. We can pass this and then it would apply there also. And, I think that's fair.

Mr. Owen: It would apply across the City or is it going to apply to tax districts?

Mayor Pro Tem Huffman: It applies to tax districts - not City wide authority. If they decide to create a tax district - that's fine, we can do that. We're not backing out here.

Representative Bordsen: If we can't serve the purpose and accomplish the Municipal Service District and get the tools you need right now, save the City-wide property for the long session.

Councilmember Ross: There is no desire to change mid-stream.

Councilmember Butler: I have a deep respect for Alamance News and the Times-News and their efforts to protect first amendment rights and the public's right to know, public meetings etc. It's important that they are here and what they are trying to accomplish. There was not an agenda or effort on this Council to circumvent that in any way shape or form. The public's right to know doesn't cross the line of our ability to define or create a MSD under NC General Statute Chapter 160-A. That is what we have the authority to do and it's two separate issues. There is not a reason we can't move forward.

Mr. Dennis Wanless, 427 Shadowbrook Drive: Picking up on what Mr. Boney said. I was under the impression that the notice seems to center on the leasing and sale provisions. I thought the other aspect was the amendments to the charter, what things are allowed, incentives and inducements and whatever is accorded or afforded to people in the MSD. The term of the lease concerned me; used to be a viable business thing to go 10 years but to go 99 years seems long to me. It seems there should be an intermediate term like 20 or 25 years where the taxpayers can see what their money has gone, and it could be renegotiated or change it. The other thing is where the Council should get into the business in providing financial incentives whatsoever, for residential developments in the district. My feeling is the country has gotten into subsidizing and furthering too much growth that is not viable. I have lived in Florida, lived in Charlottesville and have seen a lot of growth and have gone to City Council, and they tell you that these projects will benefit everyone, tax base, business owners, and residents, etc. And then they say "we need special assistance from you all" - breaks or incentive or whatever. LabCorp may be entitled to some incentives. It seems that businessmen hold City Council sort of hostage and almost like extortion because if they don't assist them, they threaten to leave. And I don't want to see the City do that and I don't want to pay for it. I approve of the revitalization of downtown Burlington. I don't want the City Council to dig into public offers to make incentives available for private enterprise. Longer than 10 years is okay, but 100 is too much. I believe there are really two issues to consider.

Mayor Pro Tem Huffman: Take out the present bill and strike out the first paragraph.

Attorney Ward: This bill would only apply to service districts, not City-wide.

PROPOSED BILL WAS DISTRIBUTED.

Mr. Boney: On behalf of the Alamance News I ask that we limit this to the existing Downtown District. With respect to the Press Association, it would be the preference that the statute states explicitly what is number one that public records and open meetings would apply. That is what Mr. Bussian told me.

Mayor Pro Tem Huffman: It applies statewide. It would only add confusion not to do so. What they were coming back with was what was in Charlotte's, straightforward and to the point. Don't see the need to add the other portion beyond that. I want Representatives Bordsen and Ingle to have something to take back with them.

Mr. Boney: As a point of clarification for the Press Association, I was on the board when we hired Mr. Bussian. Little bills were going through without us realizing it. Mr. Bussian, as a part of his job, is to be the watchdog across the state. Charlotte and Salisbury happened before his tenure. He doesn't want Burlington to become a model unless it has all the protections that would be good for all cities. He would attempt to make the safeguards to Burlington as well as cities that this will happen to in the future.

Mayor Pro Tem Huffman: All open meeting law rules apply. Mr. Bussian said that as long as you don't add anything to Charlotte, then it's okay.

Upon motion by Mayor Pro Tem Huffman, seconded by Councilmember Butler, it was resolved unanimously to approve the amendment as follows:

AMENDMENT TO HOUSE BILL 1688/SENATE BILL 1121

Relating to an Act amending the Charter of the City of Burlington to authorize the City Council to lease City-owned real property in its Municipal Service Districts upon such terms and under such conditions as determined by the City Council

Section 1. Section 4.161 of Article 2 of Subchapter E of Chapter IV of the City Charter of the City of Burlington, being Chapter 119 of the 1961 Session Laws shall be amended by adding a new section to read as follows:

Section 4.161.1, Lease of real property in Municipal Service Districts.

(a) Lease of real property in Municipal Service Districts.

Notwithstanding the provisions of G.S. 160A-272, the City Council may, in its discretion, lease City-owned property in its Municipal Service Districts established pursuant to Article 23 of Chapter 160A of the General Statutes for such consideration and upon such terms and conditions as the City Council may determine, including terms of more than 10 years in accordance with the procedures of this subsection. The City may lease its interest in property owned by the City in its Municipal Service Districts after a public hearing. The City shall publish notice of the public hearing at least 10 days before the hearing is held; the notice shall describe the property being leased, the terms and conditions

of the lease, the proposed consideration and the City Council's intention to approve the lease.

(b) The provisions of this section shall be construed in addition to all other provisions of law authorizing or prescribing the method of leasing property owned by the City.

Section 2. This act is effective when it becomes law.

Mr. Owen said that Senator Foriest apologized for being absent but that he had to be at the Appropriations Committee meeting.

Mr. Paul Mooney, publisher, Times-News: Apologized on behalf of Mr. Bussian that he had to leave because he had an appointment in Raleigh. Wants to go on record that this is a challenging process for him to figure out what's right. For the Times-News, we support downtown Burlington in a big way. We were on board for a number of years and know the Times-News came out of the district while he was gone. Is still a big supporter of downtown. They would not want to get in the way of downtown flourishing in the future. Is concerned with the statewide implications on their industry and public's right to know. Wants to know if they could create an instrument that would support downtown initiatives and the public's right to know.

Attorney Ward: The amended bill will be submitted formally today to the legislators, Mr. Bussian and legislative drafting.

Mayor Wall: Work Session tonight at 6:15 PM at Kernodle Center.

ADJOURN:

Upon motion by Councilmember Butler seconded by Councilmember Ross, it was resolved unanimously to adjourn.

Jondeen D. Terry
City Clerk

Memorandum

To: Harold Owen, City Manager

From: Robert R. Harkrader III, Planning & Economic Development Director

Date: June 10, 2010

Subject: Methodology and Steps Required for the Creation and Expansion of Municipal Service Districts (MSDs)

Pursuant to your request, I have researched the procedure for the creation and expansion of Municipal Service Districts (MSDs) in North Carolina.

Both the creation and expansion of MSDs are regulated through the provisions of Article 23, Chapter 160A of the North Carolina General Statutes. Article 23 outlines a number of provisions relating to these districts including:

- A listing of purposes for which MSDs may be established
- A definition of service districts
- The specific methodology used to create and expand service districts
- Public hearing requirements for the creation and expansion of districts
- Requirements for the provision or maintenance of services within districts
- Requirements for the abolition of service districts
- Authorization to levy property taxes within the MSD in addition to those levied throughout the City

When a new MSD district is proposed within city boundaries, the General Statutes outline a number of requirements that must be met by the City Council for the district to be established. The Council shall:

- Conduct a public hearing on the proposed adoption of the new MSD district
- Adopt a resolution containing a finding that the proposed MSD area is in need of the enhanced services, facilities, or functions listed in G.S. 160A-536
- Cause to be prepared a report containing a map of the proposed district showing its proposed boundaries, a statement showing the proposed district meets the standards of 160A-537(a), and a plan for providing in the district one or more of the services listed in G.S. 160A-536.

The City Council must meet similar requirements when considering the expansion of an existing MSD. A public hearing is required as is the adoption of a resolution and preparation of a map showing the proposed expanded district boundaries. The resolution must provide that the expanded area is contiguous to the district, with at least one eighth of the area's aggregate external boundary coincident with the existing boundary of the district. Alternatively, the Council may by resolution extend the MSD boundary when one hundred percent (100%) of the real property owners of the

expansion area have petitioned the Council for inclusion in the district. A report is required that provides a map of the existing and proposed district boundaries. The report also must include a statement showing the proposed expansion area meets the standards and requirements of G.S. 160A-538(a) or 160A-538(b) and must also outline how services will be extended to the expanded service district area.

If you have additional questions regarding the methodology and steps required for the creation and/or expansion of Municipal Service Districts, please advise.